



**WORLD FOOD
PROGRAMME**

1208

2506

Transmittal Slip

To:	Division	Room	Date
Ms. Josette Sheeran Executive Director	OED		
Thru:	Division	Room	Date
Mr. Ramiro Lopes Da Silva Deputy Chief Operations Officer	COO		
Thru:	Division	Room	Date
Mr. Amer A. Daoudi Director, Logistics Division	OML		
From:	Division	Room	Date
Sory Ouane Deputy Regional Director	OMJ		30 th April 2008

<input type="checkbox"/> Action	<input checked="" type="checkbox"/> Approval	<input type="checkbox"/> Comment	<input type="checkbox"/> File	<input type="checkbox"/> Information	<input type="checkbox"/> Investigate and report
<input type="checkbox"/> More Details	<input type="checkbox"/> Note and return	<input type="checkbox"/> Reply	<input type="checkbox"/> Reply for my signature	<input type="checkbox"/> See me	<input type="checkbox"/> Signature

SUBJECT: DRC SO 10744.0 "Provision of Aviation Services to the Humanitarian and Donor Community in DRC."

Please find attached for your approval DRC SO 10744.0.

Summarised information on the budget is provided below:

Total WFP Direct Costs (US \$)	7,592,819
Indirect Support Costs (US \$)	531,497
Total WFP Costs (US \$)	8,124,316

1. The objectives of this Special Operation are:-

- i. To provide efficient air transport services, mainly between the provincial capitals, to humanitarian agencies and donor representatives in DRC
- ii. To carry out staff medical and security evacuations.

2. This Special Operation has been created to satisfy a real need for a safe, reliable, fast and efficient air service from Kinshasa to the DRC provincial capitals. It is also expected that through Goma, an international connection will be established with Entebbe, Uganda.

3. The air transport service system in DRC is inadequate where many of the commercial airlines do not meet international safety and reliability standards as outlined by the International Civil Aviation Organization (ICAO). As a result there have been several aircraft accidents – most recently in Goma where an aircraft crashed killing and injuring several people on board and on the ground. Among the passengers on board this aircraft were some UN staff.

6/5/08

CC: ARANDA
LARSEN

6/5 - sent by Fax

4. The current UN regulation is that UN staff must first try to fly with MONUC however priority is given to MONUC staff and/or the military. Several times non-MONUC staff are bumped off the flight to give priority to higher priority passengers, MONUC Staff or the military. The other option is ECHO which is reducing the frequency of its flights. Therefore this air service project presents a great market penetration opportunity and also meets the real needs of the humanitarian and donor community most especially in enabling fast, reliable and efficient service to Goma, Lubumbashi and Kindu; where in Goma the elevation and length of the runway isn't suitable for commercial airlines.
5. The SO was reviewed at a PRC meeting held on the 24th April 2008 and relevant comments have been incorporated into this final document being submitted to you for approval.

cc: Liaison Officer OMJ, Chrono OMJ, Registry



WFP DRC
SPECIAL OPERATION SO 10744.0

Country:	DRC
Type of project:	Special Operation
Title:	Provision of Aviation Services to the Humanitarian and Donor Community in DRC.
Total cost (US\$):	8,124,316
Duration:	12 months

Abstract

Air travel is crucial for humanitarian actors as well as donors in order to reach the beneficiaries and provide an effective and timely humanitarian response throughout the Democratic Republic of Congo (DRC). A variety of air transport providers are present in DRC, but largely do not meet the international safety and reliability requirements.

This Special Operation therefore makes the provision for WFP-UNHAS to offer a safe and efficient transport service from Kinshasa to the provincial capitals and in case it is needed to carry out medical and staff evacuations. WFP will initially charter a 32-seat Jet aircraft, Dornier 328, to provide these services. Adjustments to the carrying capacity of the contracted aircraft or an expansion of the fleet may take place as operational requirements change.

This operation is expected to run for an initial 12 months.

1. Project Background

In 2008, humanitarian needs in the DRC remain high despite the holding of the long awaited elections, and the end of the transition period; these needs are a legacy of a decade of political and military turmoil and consequence of the unstable political-military situation in the Eastern part of the country.¹

Despite the peace agreement signed in January 2008 between armed factions and the Government of DRC, peace in the eastern part of the country remains fragile. A possible resumption of fighting and additional displacements will entail a strengthened presence of the humanitarian community, which needs cost effective logistics solutions to reach the beneficiaries in the most remote locations. A plan with the purpose of stabilizing the conditions of the Kivus is being designed and WFP shall be a key player in terms of providing logistics services to humanitarian organizations assisting the local populations.

Africa's aircraft accident rate is about six times that of the global industry average of one for every 1.3 million flights. The International Air travel Association (IATA) also stated that out of the reported 2005 aircraft accidents, 25 occurred in Africa and out of these, 14 happened in DRC. Additionally, the commercial aircraft currently flying to Goma are not appropriate to ensure safe operation taking into consideration the length and elevation of the Goma Runway.

The previous WFP Aviation Special Operation DRC, SO 10377.0, has been closed due to lack of funds on 31 March 2007. However, as a result of the fact that the international community in DRC – humanitarian as well as donors – has great

difficulties in finding access to safe, reliable and sufficient passenger air transport, the DSRSG/HC and the humanitarian and development community have encouraged WFP to re-establish the Humanitarian Air Services.

2. Project Justification

Air travel is crucial to the provision of an effective and timely humanitarian response to beneficiaries in the whole of the DRC. In addition, given the lack of adequate medical facilities and the instability in Eastern DRC, the air service would also be used for medical and security evacuations.

A variety of air transport providers are present in DRC, but they are not all available to the humanitarian and donor community. None of the DRC registered airlines do meet the international safety and reliability requirements as promulgated by the International Civil Aviation Organization (ICAO). A recent legal notice includes a ban on operations within the European Community of all DRC registered airlines.

- CAA and Hewa Bora, the only commercial air carriers in DRC providing regular commuter services between the provincial capitals are not cleared for use by EU members and US Embassy staff. The airlines have been used by NGO staff but have recently banned their staff using DRC registered commercial airlines. The current UN regulation is that UN staff must first try to fly with MONUC. If operational requirements are imperative, heads of agencies can authorize staff to fly on CAA and Hewa Bora, only if staff cannot fly on MONUC or ECHO flights.
- ECHO Flight provides flights between the provincial capitals, However, not all staff from the humanitarian and donor community is authorized to travel with ECHO Flight, as access to their aircraft is limited to projects sponsored by ECHO. Additionally, ECHO Flight is reducing its presence in DRC, mainly as a reaction to the pending setting up of AirDC, a joint project between Hewa Bora Airways and the Brussels Airlines group by means of its Mauritius subsidiary Pan African Airlines. It is however important to note that AirDC is not planning to fly to Goma and that the recent EC ban on all DRC registered Air Carriers will delay the setting-up of AirDC in DRC.
- AirServe, a non-profit organization, is providing a link Kinshasa – Goma – Kinshasa, but the flight is normally overbooked, and the service provided by AirServe with their B1900C does not meet the needs of the international community. Additionally, AirServe has no Air Operator Certificate (AOC) and as such, has no authority supervising their operations.
- MONUC is providing available seats to the international community, but as their priority is the transport of MONUC staff and military, non-MONUC staff is very regularly denied boarding at the last minute to give priority to MONUC Staff and military. Staff, including WFP staff, who had been disembarked at MONUC intermediary hubs before reaching their final destinations had to stay in remote locations for days.

Thus, there is a real and urgent need to establish a safe, reliable, fast and efficient air transport service linking Kinshasa to the DRC provincial capitals and to provide an international connection to Goma by linking it with Entebbe.

At the Fifth Session of the "High Level Committee on Management" held in New York in June 2003, WFP was assigned, effective 1 January 2004, the mandate for

administering air transportation services for all UN agencies in humanitarian and other activities that are not directly or specifically peacekeeping operations.

A market survey earlier in 2008 showed that there is a demand for a fast and safe liaison between Kinshasa and the provincial capitals, with a higher demand for flights to / from Lubumbashi and Goma, as well as linking Goma to an international destination.

3. Project Objective(s)

WFP proposes to set-up a WFP-UNHAS operation in DRC in order to:

1. Provide efficient air transport services, mainly between the provincial capitals, to humanitarian agencies and donor representatives in DRC.
2. Carry out staff medical and security evacuations.

4. Project Implementation

WFP proposes to charter a 32-seat Jet aircraft, Dornier 328, capable of safely operating to/from Goma and N'dolo airports, to serve the transport needs of the humanitarian community. It is suggested that humanitarian actors utilizing this service initially will be charged US\$ 350, with recovery/development actors paying between US\$ 400 and US \$500 for a Kinshasa – Goma or Goma – Kinshasa flight, and to offer Goma – Entebbe – Goma flights at full cost recovery at US\$ 300 per seat. Ticket price for non humanitarian actors would be more aligned with commercial airline ticket pricing. The cost of US\$ 350 is a heavily subsidized ticket cost, but will promote the use of the WFP-UNHAS common service. The UNHAS User Group will be empowered to adjust the price of the ticket depending on market conditions.

The introduction of a partial cost recovery will partly cover the expenses of this project, extend the life of the project, avoid abuse of the service, reduce the no-shows and demonstrate cost-efficiency to Donors.

A minimum of 12,000 passengers is planned to be transported, which is based on a 70% occupancy rate on the 32 seater Jet aircraft.

The budget required to operate such an aircraft for 12 months is US\$ 8,124,316.

The partial cost recovery income from passengers would generate – at a 70% occupancy rate – at least US\$ 3,500,000, pending of the number of authorized non humanitarian actors transported. Additionally, the partial cost recovery from small cargo from humanitarian agencies and donors would generate approximately US\$ 500,000, based on a US\$ 2.5 cost per kg transported which represents 200 MT transported. Partial cost recovery would thus provide at least 50% of the required funding, while the remaining funds would be covered by CERF and direct donor support.

Key structures which are presently in place, like the MONUC infrastructure, will allow the efficient management of the air operation and the necessary coordination among actors. WFP and cooperating partners in DRC are actively engaged in air service planning via the Logistics Cluster.

The role assignments for undertaking of the implementation of the air service are as follows:

- a. The Country Director will act as the Funds Manager for the SO and Finance Officer – as Allotment Administrator for the SO.
- b. Upon receipt of confirmation of the available funding, the WFP Aviation Section will contract and position a Jet aircraft.
- c. WFP Aviation Section will nominate a Chief Air Transport Officer (CATO) to manage the operation;
- d. A User Group comprising the main client agencies and chaired by the WFP DRC Country Director will be established with the following roles:
 1. Establishing administrative policies and issuing administrative directives detailing eligibility and priority of passenger and cargo on the WFP chartered aircraft, and ensuring compliance with WFP management operational policies and procedures;
 2. Deciding on the destinations to be served;
 3. Ensuring compliance with established procedures for the safe and efficient handling of passengers and cargo;
 4. Ensuring timely settlement of dues to WFP; and
 5. Matters relating to the quality of service;
- e. The CATO will provide the operational reports to the Aviation Section as well as to the Funds Manager.
- f. The WFP chartered Jet aircraft will stop its service the moment a safe and sufficient commercial alternative presents itself or until the funding for the operation runs out, leaving the Humanitarian community again without access to safe and sufficient air travel.

5. Project Cost & Benefits

The budget required to operate such an aircraft for 12 months is US\$ 8,124,316.

A CERF grant request has been approved by the ERC. As of 15 April the DRC HC has not released the funds pending other donors contributing to the operation.

Additional funding could be forthcoming from donors interested in this project. Some of them are USAID / OFDA and ECHO.

The humanitarian and donor community will have access to a safe, fast and reliable air service between the capital and the main areas of intervention.

Timely medical and security evacuation will be available.

6. Monitoring & Evaluation

Monitoring and Evaluation will be undertaken to ensure that the service is running as efficiently as possible and in accordance with standard procedure as established by the Aviation Section and Air Safety Unit in HQ Rome.

An amount of US\$ 15,000 has been budgeted to carry out a compliance and cost effectiveness mission to ensure that the operation is in accordance with WFP rules and regulations.

The Monitoring and Evaluation will include monitoring:

- a. Number of passengers and tonnage (Food and NFI) per period, Agency and route, transported against planned monthly average;
- b. Average cost per passenger transported against planned figure;
- c. Utilization of available aircraft capacity;
- d. Number of agencies utilizing the service;
- e. Utilization of available aircraft capacity;
- f. Utilization of available Minimum Guaranteed Hours;
- g. No. of agencies utilizing the service;
- h. Aircraft occupancy per origin and per destination;
- i. Cost effectiveness and cost recovery.

RECOMMENDATION

This Special Operation covering the period from 1 May 2008 to 30 April 2009 at a total cost to WFP of US\$ 8,1249,316 is recommended for approval by the Executive Director with the budget provided.

APPROVAL



Josette Sheeran
Executive Director

15/05/08

Project Type:	SO
Recipient Country:	DRC
Project Number:	10744.0
Duration (months):	12.0
Start Date:	01-May-2008
End Date:	30-Apr-2009

Total US\$

DIRECT OPERATIONAL COSTS (DOC)	\$ 6,695,119
DIRECT SUPPORT COSTS (DSC)	\$ 897,700
TOTAL WFP DIRECT COSTS	\$ 7,592,819
INDIRECT SUPPORT COSTS (ISC) 7%	\$ 531,497
TOTAL WFP COSTS	\$ 8,124,316

1/ This format should also be used for Project Budget Plan Revisions.

2/ Please adapt your planning according to the Project Document (duration of the project).

3/ This worksheet includes total amounts for all years.

4/ The ISC is indicated here to provide a picture of the overall WFP costs even though they are not Project Costs per se.

The ISC rate may be amended by the Executive Board during the Project's life.